



## TEXAS DEPARTMENT OF INSURANCE

### Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)

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## MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

### GENERAL INFORMATION

**Requestor Name**

UT PHYSICIANS

**Respondent Name**

NEW HAMPSHIRE INSURANCE CO

**MFDR Tracking Number**

M4-17-3160-01

**Carrier's Austin Representative**

Box Number 19

**MFDR Date Received**

JUNE 26, 2017

### REQUESTOR'S POSITION SUMMARY

**Requestor's Position Summary:** "Gallagher Bassett indicated that these procedures were global to code 20694. On 9/13/16 a reconsideration request was submitted to have the codes reviewed again due to the codes denied were for the debridement and wound irrigation to the patient's left thigh wound, while the code 20694 was performed on the right thigh wound. The services were performed on separate body parts and should not be considered part of the global package.

**Amount in Dispute:** \$1,530.00

### RESPONDENT'S POSITION SUMMARY

**Respondent's Position Summary:** "the carrier asserts that it has paid according to applicable fee guidelines and challenges whether the disputed charges are consistent with applicable fee guidelines."

**Response Submitted by:** Flahive, Ogden & Latson

### SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
June 26, 2016	CPT Code 11043-58	\$798.00	\$466.69
	CPT Code 11046-58( X4)	\$732.00	\$601.00
TOTAL		\$1,530.00	\$1,067.69

### FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and all applicable, adopted rules of the Texas Department of Insurance, Division of Workers' Compensation.

#### Background

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving a medical fee dispute.
2. 28 Texas Administrative Code §134.203, effective March 1, 2008, sets the reimbursement guidelines for the disputed service.

3. The services in dispute were reduced/denied by the respondent with the following reason codes:
  - 97-The benefit for this service is included in the payment/allowance for another service procedure that has already been adjudicated.

## Issues

1. What is the applicable rule for determining reimbursement of the disputed services?
2. Is the allowance of CPT codes 11043 and 11046 included in the allowance of 20694-58-RT?
3. What is the recommended payment for the services in dispute? Is the requestor entitled to additional reimbursement?

## Findings

1. The fee guideline for Professional Care services is found in 28 Texas Administrative Code §134.203.
2. 28 Texas Administrative Code §134.203(b) states “For coding, billing, reporting, and reimbursement of professional medical services, Texas workers' compensation system participants shall apply the following: (1) Medicare payment policies, including its coding; billing; correct coding initiatives (CCI) edits; modifiers...”

The Requestor billed CPT codes 27506-58-RT, 20694-58-RT, 11043-58, and 11046-58. These codes are defined as:

- 27506-Open treatment of femoral shaft fracture, with or without external fixation, with insertion of intramedullary implant, with or without cerclage and/or locking screws.
- 20694- Removal, under anesthesia, of external fixation system.
- 11043- Debridement, muscle and/or fascia (includes epidermis, dermis, and subcutaneous tissue, if performed); first 20 sq cm or less.
- 11046- Debridement, muscle and/or fascia (includes epidermis, dermis, and subcutaneous tissue, if performed); each additional 20 sq cm, or part thereof (List separately in addition to code for primary procedure).

The requestor appended modifier 58 – “Staged or Related Procedure or Service by the Same Physician or Other Qualified Health Care Professional During the Postoperative Period” to the codes.

Per CCI edits, CPT codes 11043 and 11046 are included in the allowance of code 27506 and 20694, if performed on the same body area. The requestor billed codes 27506 and 20694 for procedures on the right knee, and codes 11043 and 11046 for the left knee. Based upon the procedures being performed on different body areas, the insurance carrier's denial based upon “97-The benefit for this service is included in the payment/allowance for another service procedure that has already been adjudicated” is not supported.

3. Per 28 Texas Administrative Code §134.203(c)(1)(2), “To determine the MAR for professional services, system participants shall apply the Medicare payment policies with minimal modifications.
  - (1) For service categories of Evaluation & Management, General Medicine, Physical Medicine and Rehabilitation, Radiology, Pathology, Anesthesia, and Surgery when performed in an office setting, the established conversion factor to be applied is \$52.83. For Surgery when performed in a facility setting, the established conversion factor to be applied is \$66.32.
  - (2) The conversion factors listed in paragraph (1) of this subsection shall be the conversion factors for calendar year 2008. Subsequent year's conversion factors shall be determined by applying the annual percentage adjustment of the Medicare Economic Index (MEI) to the previous year's conversion factors, and shall be effective January 1st of the new calendar year. The following hypothetical example illustrates this annual adjustment activity if the Division had been using this MEI annual percentage adjustment: The 2006 Division conversion factor of \$50.83 (with the exception of surgery) would have been multiplied by the 2007 MEI annual percentage increase of 2.1 percent, resulting in the \$51.90 (with the exception of surgery) Division conversion factor in 2007.”

To determine the MAR the following formula is used: (DWC Conversion Factor/Medicare Conversion Factor) X Participating Amount = Maximum Allowable Reimbursement (MAR).

The 2016 DWC conversion factor for this service is 71.32.

The Medicare Conversion Factor is 35.8043

Review of Box 32 on the CMS-1500 the services were rendered in zip code 77030, which is located in Houston, Texas; therefore, the Medicare participating amount is based on locality “Houston, Texas”.

Using the above formula, the Division finds the following:

Code	No of Units	Medicare Participating Amount	MAR	IC Paid	Total Amount Due
11043	1	\$234.29	\$466.69	\$0.00	\$466.69
11046	4	\$75.43	\$150.25 X 4 = \$601.00	\$0.00	\$601.00

### **Conclusion**

For the reasons stated above, the Division finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is \$1,067.69.

### ***ORDER***

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code Sections 413.031 and 413.019 (if applicable), the Division has determined that the requestor is entitled to additional reimbursement for the services involved in this dispute. The Division hereby ORDERS the respondent to remit to the requestor the amount of \$1,067.69 plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this Order.

### **Authorized Signature**

_____ Signature	_____ Medical Fee Dispute Resolution Officer	<u>7/26/2017</u> Date
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### ***YOUR RIGHT TO APPEAL***

Either party to this medical fee dispute has a right to seek review of this decision in accordance with 28 Texas Administrative Code §133.307, 37 *Texas Register* 3833, applicable to disputes filed on or after June 1, 2012.

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the Division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the Division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MFDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

**Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.**